



County of Los Angeles  
**CHIEF ADMINISTRATIVE OFFICE**

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DAVID E. JANSSEN  
Chief Administrative Officer

June 30, 2004

To: Supervisor Don Knabe, Chairman  
Supervisor Gloria Molina  
Supervisor Yvonne B. Burke  
Supervisor Zev Yaroslavsky  
Supervisor Michael D. Antonovich

From: David E. Janssen  
Chief Administrative Officer

Board of Supervisors  
GLORIA MOLINA  
First District

YVONNE B. BURKE  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

**QUARTERLY REPORT ON COMMUNITY REDEVELOPMENT AGENCY (CRA) ACTIVITY  
(SECOND QUARTER 2004)**

In response to the increased level of CRA activity in the County and this office's augmented role in analyzing and scrutinizing these activities, we provided your Board with an initial "Quarterly Report on CRA Issues" on October 12, 2000. Attached is the latest Quarterly Report, covering activities during the second quarter of the calendar year. As we indicated in our initial report to your Board, and consistent with the Board-approved policies and procedures, this office works closely with the Auditor-Controller, County Counsel, and appropriate Board offices in: analyzing and negotiating proposals by redevelopment agencies to amend existing redevelopment agreements; reviewing proposed new projects for compliance with redevelopment law, particularly blight findings and determining appropriate County response; and ensuring appropriate administration of agreements and projects.

The attached report reflects a summary of the following activities during the quarter:

- Notifications provided to the Board regarding new projects;
- Board letters/actions; and
- Major ongoing issues and other matters, including litigation.

Please let me know if you have any questions, or your staff may contact Robert Moran or Jerry Ramirez at (213) 974-1130 or (213) 974-4282, respectively.

DEJ:MKZ  
JR:nl

Attachment

c: Auditor-Controller  
County Counsel

**COMMUNITY REDEVELOPMENT AGENCY (CRA) ISSUES**  
**Quarterly Report – Second Quarter 2004 – June 30, 2004**

**New CRA Projects - Routine Notifications/Reports Provided to Board**

<b>CRA Projects</b>	<b>District</b>	<b>Type of Notification</b>	<b>Date</b>
Glendora Redevelopment Project No. 5.	Fifth	Preliminary Report	May 18, 2004
La Puente Redevelopment Project	First	Preliminary Report	June 16, 2004

**Board Letters/Actions During Quarter**

<b>CRA Projects</b>	<b>District</b>	<b>Action</b>	<b>Date of Board Action</b>
Hoover Redevelopment Amendment No. 1 (City of Los Angeles)	Second	Approval of amendment to Agreement for Reimbursement of Tax Increment Funds.	June 15, 2004

**Major Ongoing or Emergent CRA Issues**

**Glendora (Fifth District)**

**Issue:** CAO received Initial Study for Redevelopment Project No. 5 and several amendments to the existing redevelopment projects for the Glendora Community Redevelopment Agency. The proposed project and amendments would add new territory, merge the Agency's four existing redevelopment areas in the City, raise the tax-increment cap, and establish the authority to purchase non-residential real property through eminent domain in all five areas.

**Status:** Staff met with City and advised them that the proposed project area and amendments do not appear to meet blighting requirements consistent with Redevelopment Law. Despite CAO concerns, Glendora scheduled a public hearing on June 29, 2004 to adopt the redevelopment project and amendments. CAO was prepared to submit a Statement of Objections at the public hearing, but City officials have agreed to recommend that the City Council continue the public hearing to allow the City more time to try to resolve the County's concerns.

**La Puente (First District)**

**Issue:** CAO received the Notice of Preparation for a new Redevelopment Project. The new project includes approximately 275 acres.

**Status:** Staff submitted review of Preliminary Report, concluding that the Project generally reflects blighting conditions consistent with legal requirements.

**Los Angeles - Hoover (Second District)**

**Issue:** The Community Redevelopment Agency of Los Angeles requested an amendment to the Hoover Redevelopment Project to redefine the obligations of the City and County of Los Angeles in regard to the allocation and use of tax increment derived from the Exposition Park area.

**Status:** On CAO recommendation, the Board approved adoption of the Amendment on June 15, 2004. The Amendment guarantees the County a full pass-through of its share of tax-increment generated from the project area while allowing the Agency flexibility in using their portion of tax-increment for any purpose consistent with Community Redevelopment Law. The Agency plans to implement improvements in the Exposition Park area to improve its revenue-generating potential.

### **Litigation**

#### **Los Angeles - City Center (First and Second Districts)**

**Issue:** Agency adopted the City Center Redevelopment Project on May 15, 2002. This project of approximately 880 acres in Downtown Los Angeles reestablishes as a new project much of the existing Central Business District (CBD) Project, which has reached its court-validated project cap.

**Status:** The County filed a lawsuit objecting to the Project on the basis that it violates the court-validated project cap on the CBD Project, and improperly includes 30 acres of non-blighted parking lots surrounding the Staples Center. The trial judge issued a final decision invalidating the project. The judge's decision cites the court-validated project cap and the inconsistency of permitting the City to evade the effect of that limitation. The City has appealed the decision.

#### **Los Angeles - Central Industrial (First and Second Districts)**

**Issue:** The City adopted the Central Industrial Redevelopment Project on November 15, 2002. The project includes approximately 744 acres of primarily industrial areas located in the southeast section of Downtown Los Angeles. Similar to the City Center Project, the Central Industrial Project includes detachment of parcels from the CBD Project.

**Status:** Similar to City Center, County filed lawsuit objecting to the Project on the basis that it violates the court-validated project cap on the CBD project. On September 19, 2003, the court issued a ruling invalidating the project. The City has appealed the decision.

### **Legislation**

#### **SB 1382**

**Issue:** This Bill is sponsored by the County and would require redevelopment agencies to provide counties with the Preliminary Report (which includes the blight study, listing of proposed projects, and financial analysis) at least 90-days prior to the Joint Public Hearing for project adoption.

**Status:** The County accepted minor amendments recommended by redevelopment interests to grant limited waivers of the requirements. The Bill passed unanimously out of its Assembly committee on June 24, 2004.

### **Overall CRA Statistics**

Active CRA Projects     307  
Pending CRA Projects    18